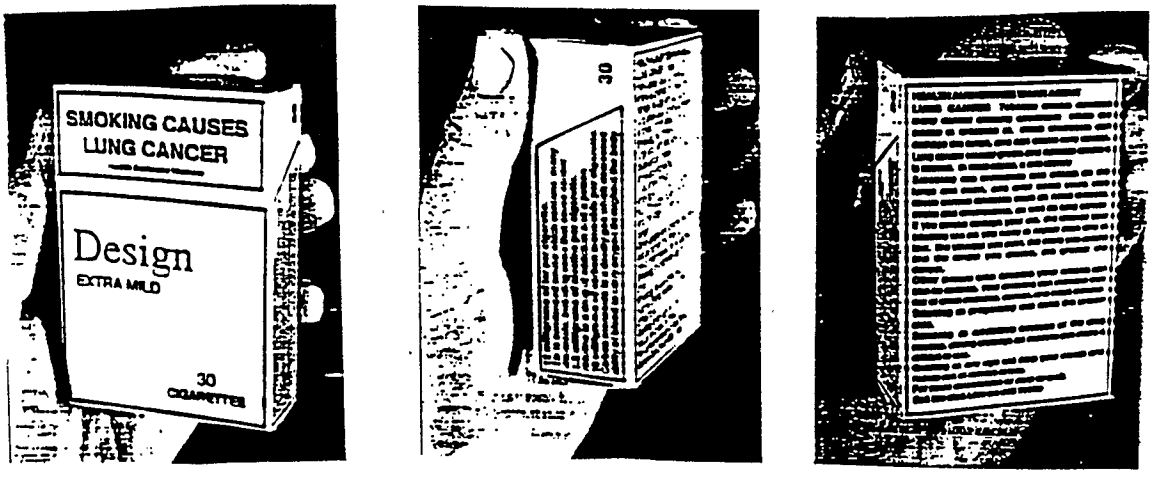
June , 1992

DRAFT

[to be addressed to the Prime Minister, the Premiers of each State and the Chief Minister of each Territory]

I am writing to you today as an Australian, and as President and Chief Operating Officer of Philip Morris Companies Inc., headquartered here in New York City. My purpose in writing is to request respectfully that you bring a sense of balance and common sense back into the regulation of tobacco in Australia. More specifically, we ask that you make every effort, through the good offices of your government, to maintain the existing four rotating health warnings which appear large and clear on the front panel of each and every cigarette pack sold in Australia.

In other words, I ask that your government reject the recent proposal by the Ministerial Council on Drug Strategy for a change in the existing format of Health Warnings. The new proposed packaging needs to be seen to be believed. Here it is!



As the senior executive responsible for all of our tobacco operations outside the United States, I have been able to witness first hand how different countries address the broad issue of smoking and health, as well as the narrower issue of the package warnings. Looking at Australia in this international context, I can tell you that - much more than in other countries - your existing requirements, plus those now proposed, are excessively skewed against the tobacco industry, an industry which accounts for significant Australian employment and which brings to your federal and state governments, tax revenues which far exceed the profits earned by the three Australian cigarette manufacturers.

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Source: https://www.industrydocuments.ucsf.edu/docs/gjdk0000

In countries such as the United Kingdom, the United States, Germany, Japan, the Netherlands and Switzerland, countries which have managed their economies and addressed public health issues every bit as responsibly as Australia, tobacco companies market their products in ways prohibited in Australia, and in none of these countries has government endorsed a defacement of the cigarette package and trademarks as has now been proposed by the Ministerial Council on Drug Strategy.

To be sure, there are a few countries, "nanny" states as we refer to them, which have taken a position similar to that advocated for Australia. A good example is our U.S. neighbor, Canada, an under-performer economically with an aggressive anti-tobacco policy which, from any sensible perspective, has been a failure.

Canada banned cigarette advertising and then defended the ban in court by relying on a New Zealand government study purporting to show a relationship between cigarette advertising and smoking incidence. The Canadian court found the New Zealand study "devoid of any probative value" and ruled the ad ban unconstitutional. Canada raised cigarette taxes, so Canadian smokers switched to less-expensive "roll-your-owns" and started buying their cigarettes in the U.S. where the excise tax is lower. And, of course, Canada opted for taking a larger portion of the cigarette package for its health warning, although even in Canada the position was less aggressive than that taken by the Ministerial Council in Australia.

The results of this massive effort are important to note. The decline in cigarette consumption by Canadians has not been significantly greater than in the U.S., which has opted for a balanced approach. But Canada has suffered. Canadian cigarette factories have closed, its retail and wholesale trade has lost important revenues and the country is experiencing a serious problem with contraband.

Looking at the immediate issue raised by the proposed new warning for Australia, I have to say that my Company disagrees with most of the analysis and virtually all of the reasoning contained in the Centre for Behavioural Research in Cancer report on which the Ministerial Council's proposal is based.

The thrust of our position is easy to state:

- Australians are aware of the warnings against smoking - one would have to be asleep in a cave for twenty years not to be aware - and a change in the existing pack warnings is thus unnecessary.

- Young Australians should be educated as to the issues involving smoking, but this can be better accomplished in a family or school environment than through an over-reaching requirement for pack warnings.

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Source: https://www.industrydocuments.ucsf.edu/docs/gjdk0000

- The proposed warnings, while offered in the guise of providing information, is in fact an abusive and punitive defacement of a legal product from which governments receive more than $2.4 billion in revenues; if enacted the warning will only bring disdain towards governments which will be seen as hypocritical in their policies.

What disappoints me most about the Australian environment on smoking is not the position of the health activists who can be expected to bash tobacco by all available means. What bothers me is the failure of those in government whose portfolio involves more than health issues to bring balance and common sense to the issue.

In most of the world, the opposing positions have been resolved by government's recognizing that cigarettes are a legal product enjoyed by a substantial, if declining, portion of the adult population. Government and industry have come to recognize that so long as the smoker is informed of the risk factor involved, the manufacturer should be free to make and responsibly market its product and the consumer should be free to choose to smoke or not to smoke.

Our company has worked closely with government in other countries towards achieving a balanced approach which recognizes both the health and economic issues involved and I stand ready to meet with you at your pleasure to discuss these issues.

Sincerely yours,

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Source: https://www.industrydocuments.ucsf.edu/docs/gjdk0000